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AUTOMOTIVE HARDWARE LIMITED  
Annual Report 1973



**Directors:** Irwin Goldhart,  
*President,*  
Automotive Hardware Limited

Frances A. Reid,  
*Vice-President,*  
Automotive Hardware Limited

Goldie Potashin,  
*Secretary-Treasurer,*  
Automotive Hardware Limited

Sidney Goldhart,  
*Vice-President,*  
Docap Manufacturing Company Limited

Ross M. Hanbury,  
*Vice-President and Director,*  
Wood Gundy Limited

Harry L. Mendelson, Q.C.,  
*Barrister and Solicitor*

**Officers:** Irwin Goldhart, *President*  
Frances A. Reid, *Vice-President*  
Goldie Potashin, *Secretary-Treasurer*

**Registrar, Transfer Agent  
and Trustee:** National Trust Company Limited  
Montreal, Toronto, Winnipeg, Calgary  
and Vancouver

**Auditors:** Miller, Stone, Saperia and Isaacs  
*Chartered Accountants*

**Shares Listed:** Toronto Stock Exchange

**Head Office and Plant:** 55 Brown's Line, Toronto, Ontario

#### Summary of Years' Results

	Year ended December 31,	
	1973	1972
Sales .....	\$24,540,624	\$19,464,294
Net earnings .....	\$ 2,217,267	\$ 957,973
Net earnings per share* .....	\$ 2.46	\$ 1.06
Working capital .....	\$ 7,866,166	\$ 7,182,829
Equity per share* .....	\$ 11.67	\$ 9.45

\* Based on 901,500 shares outstanding in 1973, compared to 900,000 in previous year.



## President's Message to Shareholders



I welcome this opportunity to provide a review of corporate performance for the past year, and to describe your Company's prospects and priorities for the current year. As disclosed in the financial statements which accompany this report, 1973 was a time of high achievement for the Company. Sales during the past year reached \$24.5 million, and this resulted in a net profit of \$2.2 million or \$2.46 per share. These totals show considerable increases over 1972, when sales of \$19.5 million resulted in net profits of \$957,973 or \$1.06 a share. By percentage, the gain in sales this past year was 26% while earnings improved 130%.

Once again I am pleased to note that the latest results represent all-time highs in sales and earnings for the Company's 29-year history. This has become a tradition at Automotive Hardware. 1973 continues a trend in which the Company has registered consistent sales growth year after year, and earnings have followed a similarly favourable pattern with the single exception of 1971.

This past year, we feel, was one of special distinction. By exceeding the \$20 million level in sales and over \$2 million profits for the first time, Automotive has now earned a valid place among the intermediate-sized corporations of Canadian industry. The Company in 1973 also solidified its position as second largest supplier by volume in this specialized area of manufacturing, and we rank as the single largest company in Canada devoting its full manufacturing resources to serving the large fastener market.

The Company entered 1974 in a vastly strengthened financial position. Due to the higher earnings base in 1973 corporate working capital increased by \$683,337, and totalled at year end \$7.9 million. Our ratio of current assets to current liabilities, a common measure of a corporation's liquidity, stood as of December 31, 1973 at 2.6 to 1. Long-term debt obligations were reduced, even while \$1.7 million was spent on capital assets. Certainly with high interest rates and tight credit now prevailing in Canada, this ability to finance future growth and possible diversification from internal funds rather than borrowed capital becomes especially advantageous.

Market conditions were such in 1973 that abundant buying power existed among industries for fastener products of the type Automotive produces. Traditional sources of supply also underwent change, since foreign producers of nuts and bolts last year experienced uncommonly higher production costs. Where traditionally these imported products had been a major competitive influence in Canadian markets, the scales tipped in 1973, and for the first time in memory Canadian-made nuts and bolts sold at the lowest price in the world. In 1973 a great deal of our output might easily have been channelled outside of Canada for sale to foreign customers at premium prices. It was our business decision not to do so; our export sales remained a small portion of volume. Thus our record totals were achieved for 1973 while preserving valuable relationships with longtime domestic customers.

While times were good for all, Automotive was able to register gains last year in excess of industry norms. This, I believe, is a reflection in part on our long years of reputable service in the marketplace, and also to diligent performance by our nation-wide sales force. A more intrinsic factor, perhaps, is that the Company four years ago forecast that a significant upturn would occur in industry demand for fasteners, and at the time invested sizeable capital into an expansion program. This program proved to be prudent as evidenced by the results of the past year.

During 1973, the Company embarked on an engineering study to determine the feasibility of a steel mini-mill operation at an Ontario location. Results of this study are nearly complete, and company officers are now in extended negotiation with government officials concerning the advisability of a specific project site. It is hoped an agreement can be reached which will enable satisfactory development of this diversification plan.

Looking ahead to the current year, Automotive Hardware and subsidiaries have projected for higher volume in future months in anticipation of continuing strong markets, and operating results of the first quarter of 1974 support this optimistic outlook. At time of writing our sales orders are at a record high. All indications, then, are for another excellent year.

In closing, I extend thanks to our employees and shareholders, and look forward to their continued support in our endeavours.

On behalf of the Board,  
Irwin Goldhart, *President*

May 28, 1974

Production at Automotive Hardware is a story of men, machinery and metals — for these three elements provide the backbone of the company's vast manufacturing complex on Brown's Line in west end Toronto.

In size, the manufacturing floor space concentrated under one roof approximates a downtown city block, covering 310,000 square feet on seven acres. Company-owned land at this site exceeds 18 acres, ensuring a comfortable margin for future additions on to the existing plant. This massive physical size translates into equally massive output — last year at Automotive, highly-automated machinery produced some 600 million items of varied size, type, and shape that involved in all 11,000 product varieties.

People as well as machines play a vital role in manufacturing, and to meet increasing demand for its products the company's work force has grown to include over 500 people. Reflecting the magnitude of production, plant personnel at Automotive take in mechanics, lathe operators, fitters, toolmakers, electricians and many other categories of skilled tradesmen.

Brown's Line during work hours is a panorama of industrial clamour, aisle motion, furnace flame and pulsating tiers of machinery. Examining the production process in sequence: carbon steel in six-foot coils is unravelled with controlled rhythm into nut forming machines, which forge the steel to a product's required size at a rate up to four pieces a second. Delivered to the next work station in heavy metal buckets, pieces then travel into tapping machines which are programmed to cut specified threads on to the nuts at processing speeds which peak at 13,000 pieces an hour.

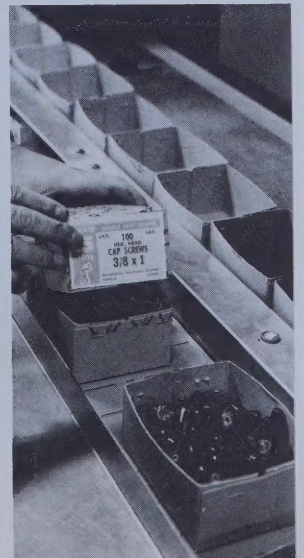
Higher-quality nuts then move on to receive heat treatment, a process which brings about greater product durability. Volume washing is next, for removal of residual oil sediments. Once cleared in final inspection, a typical production run is transferred to packaging, then on to shipping — where its eventual destination might be one of 42 foreign nations, a domestic customer, or one of seven branch company warehouses located strategically across Canada.

Bolts, the company's partner product, pass through an identical production cycle while benefitting from sophisticated machinery with the ability to condense forging and threading into a single production function. Thus boltmaking equipment on the premises draws in steel, performs seven sequential tasks of forging, trimming and threading under the watchful eye of the operator, and issues fully completed bolts into waiting buckets. Automotive utilizes a large number of these valuable machines; proper setup of their sensitive controls for each new production run requires especially keen technical skills.

Automotive sales have experienced steady and vigorous growth during the past decade, and thus the demands placed on the company's manufacturing resources become greater with each succeeding year. In regularly enlarging its output to keep pace with sales, Automotive has taken full advantage of various technological developments related to its type of manufacturing, both in utilization of more efficient production methods and in capital investment for new and more productive machines. The Brown's Line facility was expanded to its present physical size in four periodic stages, in each case to accommodate long-term growth needs.

In 1974 Automotive will acquire additional new high-speed machinery which will enlarge its in-line machine inventory. This and other innovative measures will enable the company to produce more units than ever before. The emphasis on drawing greater productivity from existing plant space will continue to prevail, until the demands of growth again dictate that the plant walls be moved outward.







*Irwin Goldhart, president, and company officers  
comment on subject areas raised by  
investment analysts related to  
Automotive Hardware operations.*

***Does the name "Automotive Hardware" continue to reflect company activities?***

The changing nature of our business has caused our corporate name to lose some meaning. While a small portion of our fastener volume is supplied to the auto manufacturers, our major identification with the automotive sector is through our subsidiary Docap, which supplies various parts and accessories to the automotive after-market. Curiously Docap stands to gain when new car sales drop, because this means older cars in need of servicing stay on the road longer.

Our name may mislead some people unfamiliar with the company, and at times we've considered adopting a title which more accurately describes our operations. Except that Automotive Hardware has been in business for almost 30 years — and our reputation rests on the name we have with a widespread group of regular customers and suppliers. To risk confusing them isn't worth a name change.

***Where does Docap fit into operations?***

Docap is engaged in the supply of replacement parts and accessories such as valves, fittings, universal joints and fasteners to wholesalers and jobbers in the truck and car aftermarket in Canada. For Docap's customers a prime advantage is that orders for a broad range of parts can be filled on a "one stop" basis. In recent months the company has further widened its sales mix by extending representation to new auto part manufacturers. This group now includes Cole-Hersee, Camel-Bridgeport, Ken Tools, Republic Gear Products, Signal Motors, Buchan Catalogue Equipment and Peterson Vise Grips.

***Who are Automotive's customers?***

A large part of our fastener volume is sold to wholesalers across Canada. Also, an important part of our business is direct sales to industry, and this includes companies engaged in natural resources development, agriculture, forest products, pulp and paper, construction, pipelines, utilities, general manufacturing — about every type of industry except food and clothing.

The market for fasteners generally experiences little cyclical fluctuation. In times of economic expansion demand naturally rises as more and bigger sets of mechanical equipment come into use, but even in flat periods nuts and bolts remain a must-have commodity for ongoing operations. Just as consumers at all times continue to buy bread and butter in grocery stores.

***Any plans for diversification?***

At the moment the Company's top priority in this regard is Planet Steel, the name of our proposed mini-mill subsidiary to be located in Ontario. This project is attractive in terms of direct profit potential, and as a steel producer Planet of course would benefit our fastener manufacturing operations. Our development plans for Planet Steel are now before the government for approval. Should the government's ruling make Planet a less attractive consideration, a ready alternative has been developed for handling of the acquired equipment assets.

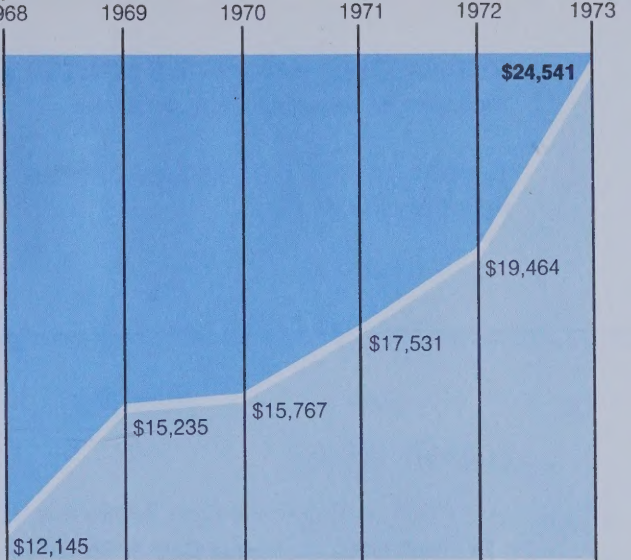
Beyond that, we're always interested in acquisitions with parallel business lines which would benefit our existing operations. Right now, nothing is imminent.

***What is company policy on dividends?***

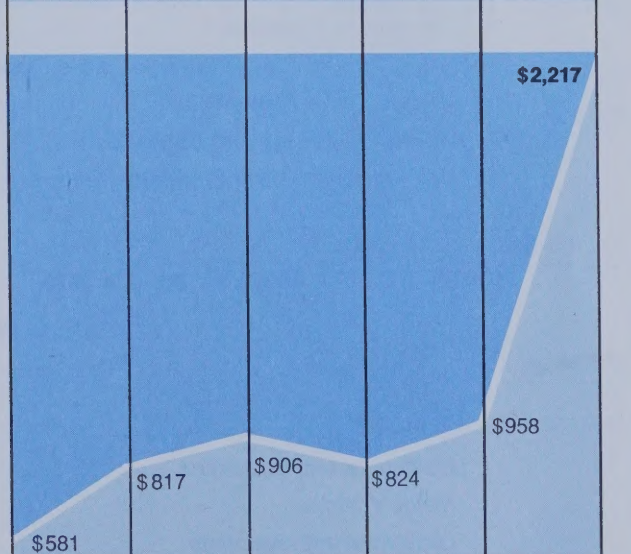
In terms of yield, Automotive traditionally has preferred a modest dividend rate. For some time payment was fixed at 6¢ per share quarterly. The company has been following an aggressive growth pattern, and it was felt that shareholders would benefit more if earned income was re-invested to expand our operations.

However for the second quarter of 1974, our dividend payment has been doubled to 12¢ on Class A shares and 10.2¢ tax-deferred on Class B shares. The company's earnings increased substantially last year, and it seemed fair that shareholders should participate directly in that success.

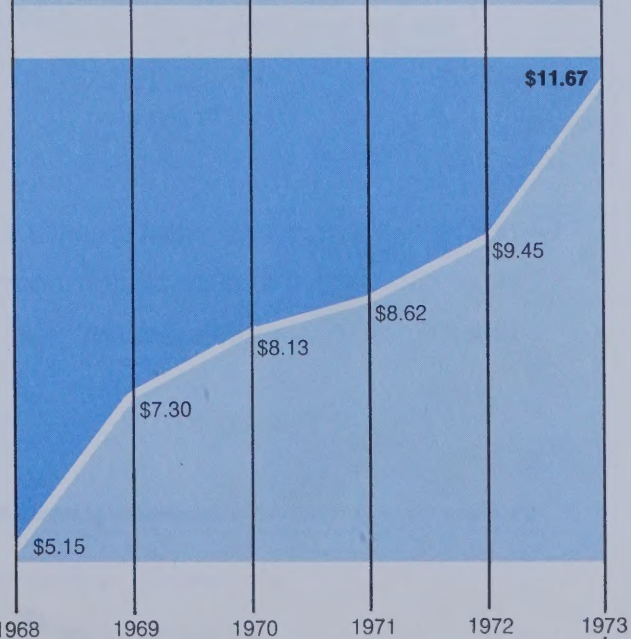
**SALES**  
(Thousands)



**NET EARNINGS**  
(Thousands)



**EQUITY PER SHARE\***





**AUTOMOTIVE HARDWARE LIMITED**

and its wholly owned subsidiary companies

**COMPARATIVE CONSOLIDATED BALANCE SHEET**

as at December 31

ASSETS		1973	1972
CURRENT ASSETS			
Accounts Receivable (Less Allowances for Doubtful Accounts)	\$ 3,921,128	\$ 2,989,964	
Inventories, at Lower of Cost or Replacement Cost	8,335,663	7,189,801	
Marketable Securities	2,250	2,250	
Sales Tax and Duty Drawback Claims Outstanding	299,483	244,738	
Income Taxes Refundable	—	108,356	
Prepaid Expenses and Deposits	158,586	106,878	
Life Insurance, Cash Surrender Value	11,517	11,043	
	<u>\$12,728,627</u>	<u>\$10,653,030</u>	
MORTGAGE RECEIVABLE — 7% due 1979	\$ 88,082	\$ 101,841	
FIXED ASSETS, AT COST			
Land	\$ 281,809	\$ 281,809	
Buildings	2,482,251	2,465,123	
Machinery and Equipment	8,383,531	7,917,673	
Motor Vehicles	181,380	164,026	
Leasehold Improvements	187,297	39,599	
Dies and Small Tools	180,000	180,000	
	<u>\$11,696,268</u>	<u>\$11,048,230</u>	
Less — Accumulated Depreciation	5,348,646	4,655,619	
	<u>\$ 6,347,622</u>	<u>\$ 6,392,611</u>	
DEPOSITS ON EQUIPMENT AND DEFERRED TOOLING COSTS	\$ 11,487	\$ 53,329	
MILL ACQUISITION AND DEVELOPMENT COSTS	1,096,976	—	
UNAMORTIZED DEBENTURE DISCOUNT	93,000	99,000	
	<u>\$20,365,794</u>	<u>\$17,299,811</u>	

The accompanying notes form an integral part of these financial statements.



## LIABILITIES

### CURRENT LIABILITIES

	1973	1972
Bank Loans and Overdraft (Note 7d) .....	<b>\$ 1,107,576</b>	\$ 1,733,131
Accounts Payable and Accrued Liabilities .....	<b>2,048,317</b>	1,421,981
Income Taxes Payable .....	<b>1,448,092</b>	—
Dividends Payable .....	<b>54,090</b>	54,000
Current Portion of Long Term Debt .....	<b>204,386</b>	261,089

	<u><b>\$ 4,862,461</b></u>	<u>\$ 3,470,201</u>
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### LONG TERM DEBT (LESS CURRENT PORTION AS ABOVE) (Note 4) .....

	<u><b>\$ 4,080,865</b></u>	<u>\$ 4,286,692</u>
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### DEFERRED INCOME TAXES (Note 3) .....

	<u><b>\$ 903,687</b></u>	<u>\$ 1,041,964</u>
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## SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note 5a) .....	<b>\$ 1,159,950</b>	\$ 1,143,030
CONSOLIDATED RETAINED EARNINGS .....	<b>7,517,760</b>	5,516,853
CONTRIBUTED SURPLUS (Note 6) .....	<b>1,841,071</b>	1,841,071
	<u><b>\$10,518,781</b></u>	<u>\$ 8,500,954</u>

	<u><u><b>\$20,365,794</b></u></u>	<u><u>\$17,299,811</u></u>
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Approved on behalf of the Board of Directors:

Irwin Goldhart, Director

Goldie Potashin, Director

## AUTOMOTIVE HARDWARE LIMITED

and its wholly owned subsidiary companies

### COMPARATIVE CONSOLIDATED STATEMENT OF EARNINGS

for the year ended December 31

	1973	1972
Sales .....	<b>\$24,540,624</b>	\$19,464,294
Cost of Goods Sold and Operating Expenses Exclusive of Items shown below .....	<b>19,340,874</b>	16,747,097
	<b>\$ 5,199,750</b>	\$ 2,717,197
Depreciation .....	<b>\$ 704,167</b>	\$ 682,766
Interest on Long Term Debt .....	<b>284,735</b>	288,650
Amortization of Debenture Discount .....	<b>6,000</b>	6,000
	<b>\$ 994,902</b>	\$ 977,416
Earnings Before Income Taxes .....	<b>\$ 4,204,848</b>	\$ 1,739,781
Income Taxes .....	<b>1,987,581</b>	781,808
Earnings for the Year .....	<b>\$ 2,217,267</b>	\$ 957,973
Earnings per Share 1972 900,000 Outstanding (Note 10) .....		\$1.06
1973 901,500 Outstanding (Note 10) .....	<b>\$2.46</b>	

### COMPARATIVE CONSOLIDATED STATEMENT OF RETAINED EARNINGS

for the year ended December 31

	1973	1972
Balance, January 1 .....	<b>\$ 5,516,853</b>	\$ 4,774,880
Net Earnings for the Year .....	<b>2,217,267</b>	957,973
	<b>\$ 7,734,120</b>	\$ 5,732,853
Dividends Declared .....	<b>216,360</b>	216,000
Balance, December 31 .....	<b>\$ 7,517,760</b>	\$ 5,516,853

The accompanying notes form an integral part of these financial statements.



# COMPARATIVE CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended December 31

	1973	1972
SOURCES OF FUNDS		
Net Earnings .....	<b>\$2,217,267</b>	\$ 957,973
Depreciation .....	<b>704,167</b>	682,766
Amortization of Debenture Discount .....	<b>6,000</b>	6,000
FUNDS FROM OPERATIONS .....	<b>\$2,927,434</b>	\$1,646,739
Principal Repayments of Mortgage Receivable Received .....	<b>13,759</b>	10,867
Deferred Income Tax Adjustment .....	<b>—</b>	126,484
Sale of Shares .....	<b>16,920</b>	—
	<b>\$2,958,113</b>	\$1,784,090
APPLICATION OF FUNDS		
Purchase of Fixed Assets (Less Proceeds of Disposals) .....	<b>\$ 605,849</b>	\$1,145,289
Deposits on Equipment .....	<b>11,487</b>	53,329
Reduction in Long Term Debt .....	<b>205,827</b>	255,770
Dividends Declared .....	<b>216,360</b>	216,000
Deferred Income Tax Adjustment .....	<b>138,277</b>	—
Mill Acquisition and Development Costs .....	<b>1,096,976</b>	—
	<b>\$2,274,776</b>	\$1,670,388
NET INCREASE IN WORKING CAPITAL .....	<b>\$ 683,337</b>	\$ 113,702
WORKING CAPITAL, JANUARY 1 .....	<b>7,182,829</b>	7,069,127
WORKING CAPITAL, DECEMBER 31 .....	<b>\$7,866,166</b>	\$7,182,829

The accompanying notes form an integral part of these financial statements.

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS  
DECEMBER 31, 1973**

**1. BASIS OF CONSOLIDATION.**

The accompanying financial statements combine the accounts of Automotive Hardware Limited and its wholly owned subsidiary companies.

All material inter-company transactions and balances on the aforementioned statements were eliminated for consolidation purposes.

**2. DEPRECIATION.**

Provision for Depreciation on these statements was computed at the maximum rates allowed by The Income Tax Act except for Federal Bolt & Nut Corporation Limited which was computed at 7½% straight line rate for all equipment installed. Tools and dies were expensed in the year during which the related equipment was used except for \$180,000 which was capitalized in 1960.

**3. INCOME TAXES — PAYABLE AND DEFERRED.**

The companies follow the tax allocation principle of providing for income taxes. Under this principle: (a) the earnings statement reflects income tax expense based on consolidated operating results; (b) income taxes payable are calculated on the basis of each company's taxable income including current maximum capital cost allowances permitted by regulation; and (c) the difference between income tax expense under (a) above and income taxes payable under (b) above is reflected as an adjustment to deferred income taxes on the balance sheet.

**4. LONG TERM DEBT.**

Equipment Contracts Payable (Secured) .....	\$ 460,683
6¾% Realty Mortgage Due 1986 .....	824,568
6% Convertible Debenture, Series A, Due 1989 .....	3,000,000
	<u>\$4,285,251</u>
Less — Amounts Due Within One Year .....	204,386
	<u><u>\$4,080,865</u></u>

**6% CONVERTIBLE DEBENTURE SERIES A, DUE JULY 2, 1989.**

(a) This debenture, issued July 2, 1969, is secured by a floating charge on the assets of Automotive Hardware Limited and its wholly owned subsidiary companies. Interest is paid semi-annually;

(b) Each debenture is convertible at the holder's option at any time up to July 2, 1979, at a conversion rate of 70 common shares per \$1,000 principal amount;

(c) In each of the years 1980 to 1988, the Company is obligated to pay to the trustee, by way of a sinking fund, sums sufficient to retire on July 2 in each of such years, 10% of the aggregate principal amount outstanding on July 3, 1979.

**5. (a) CAPITAL STOCK.**

Authorized: (As Amended in 1973)

3,500,000 Class A, Voting, Convertible Shares Without Par Value

3,500,000 Class B, Voting, Convertible Shares Without Par Value

260,000 Common Shares Without Par Value

Outstanding and Fully Paid: (December 31, 1972)

600,000 Class B, Participating Shares, Without Par Value

300,000 Common Shares, Without Par Value

900,000

TOTAL PAID-IN ..... \$1,143,030

Outstanding and Fully Paid: (December 31, 1973)

260,600 Class A Shares

640,900 Class B Shares

901,500

TOTAL PAID-IN ..... \$1,159,950

**(b) EMPLOYEES' STOCK OPTION PLAN.**

In 1969, the Company established an employee stock option plan for a maximum of 45,000 Class A shares, of which options on 28,000 Class A shares were granted to 15 employees (of which 7,500 shares were granted to 3 directors) at \$11.28 per share. During 1973, 1,500 Class A shares were issued under the plan for \$16,920, and options on 26,500 Class A shares remain outstanding.

**(c) CONVERSION PRIVILEGE OF 6% CONVERTIBLE DEBENTURE, SERIES A.**

The Company has reserved 210,000 Class A shares to meet the conversion privilege of the holders of such debenture.



## 6. CONTRIBUTED SURPLUS

Net excess of the equity of the subsidiary Companies over the cost of their acquisition by Automotive Hardware Limited as at December 31, 1973 .....

\$1,841,071

## 7. COMMITMENTS.

### (a) LEASES.

The Company is obliged to pay the following annual rentals and realty taxes where applicable under its existing leases:

1974 .....	\$169,425	1980 .....	\$57,480
1975 .....	158,556	1981 .....	52,612
1976 .....	118,162	1982 .....	27,843
1977 & 1978 .....	89,313	1983 & 1984 .....	7,510
1979 .....	76,049	1985 .....	4,381

### (b) EQUIPMENT.

At December 31, 1973, the Companies had commitments to purchase equipment aggregating approximately \$615,822 plus duty and sales taxes where applicable.

### (c) PENSION PLANS.

During 1973, the Company made the following payments:

Contributory Plan .....	\$79,751
Non-Contributory Plans .....	\$96,020

Past service funding of the non-contributory plans' requirements are currently estimated to be \$25,138 annually for each of the next twelve years.

(d) Bank loans were secured by a registered assignment of accounts receivable.

(e) Letters of credit outstanding totalled \$377,069.

## 8. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS.

Direct remuneration paid to the directors and senior officers of the Company (ten in number) during the year amounted to \$357,025. In addition thereto, the Company contributed during the year the sum of \$13,271 under its contributory employee pension plan on behalf of these directors and senior officers.

9. Pursuant to lease commitments prior to 1973, the Company paid Mr. Irwin Goldhart, the president of the Company, rentals totalling \$59,860 for warehouses in Vancouver, British Columbia, and Dartmouth, Nova Scotia.

## 10. EARNINGS PER SHARE.

	1973	1972
Shares Outstanding .....	901,500	900,000
Earnings Per Share Outstanding .....	\$2.46	\$1.06
Based on Full Potential Dilution .....	\$2.04	\$0.94

Fully diluted earnings per share calculation shows the effect on earnings per share which would have resulted if (a) all the 6% Series A debentures had been converted into common shares on January 1, and (b) the employees' stock options for the purchase of 28,000 common shares at \$11.28 had been exercised on January 1, and that the funds derived therefrom had been invested to produce an annual return of 8%, before applicable income taxes. The income imputed, after income taxes, as a result of (a) and (b) above, was \$101,137 in 1973 and \$105,712 in 1972.

## AUDITORS' REPORT

To the Shareholders of Automotive Hardware Limited:

We have examined the consolidated balance sheet of Automotive Hardware Limited and its wholly owned subsidiary companies as at December 31, 1973 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1973, and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
April 18, 1974

MILLER, STONE, SAPERIA AND ISAACS  
Chartered Accountants

# AUTOMOTIVE HARDWARE LIMITED

and its wholly owned subsidiary companies

## SIX YEAR FINANCIAL SUMMARY

(Thousands except where indicated\*)

	1973	1972	1971	1970	1969	1968
<b>SALES</b>	<b>\$24,541</b>	\$19,464	\$17,531	\$15,767	\$15,235	\$12,145
<b>EARNINGS BEFORE TAXES</b>	<b>4,205</b>	1,740	1,663	1,906	1,836	1,218
<b>NET EARNINGS</b>	<b>2,217</b>	958	824	906	817	581
<b>NET PROFIT MARGIN</b>	<b>9.0%</b>	4.9%	4.7%	5.7%	5.4%	4.8%
<b>EARNINGS PER SHARE*</b>	<b>\$2.46</b>	\$1.06	92¢	\$1.01	91¢	65¢
<b>TOTAL ASSETS</b>	<b>\$20,366</b>	\$17,300	\$16,546	\$15,719	\$13,830	\$12,574
<b>LONG TERM DEBT</b>	<b>4,081</b>	4,287	4,542	4,584	4,308	1,430
<b>SHAREHOLDERS' EQUITY</b>	<b>10,519</b>	8,501	7,759	7,316	6,572	4,638
<b>EQUITY PER SHARE*</b>	<b>\$11.67</b>	\$9.45	\$8.62	\$8.13	\$7.30	\$5.15
<b>WORKING CAPITAL</b>	<b>\$ 7,866</b>	\$ 7,183	\$ 7,069	\$ 7,018	\$ 6,713	\$ 2,492
<b>DIVIDENDS PER SHARE</b>	<b>24¢</b>	24¢	24¢	18¢	—	—

\* Based on 901,500 shares outstanding in 1973, compared to 900,000 in previous years.

### Subsidiaries:

Automatic Screw Machine Products Limited  
Federal Bolt & Nut Corporation Limited  
Docap Manufacturing Company Limited  
S. F. Bacher and Company Limited  
Planet Steel Limited

### Branch Warehouses:

Vancouver, British Columbia	Toronto, Ontario
Edmonton, Alberta	Montreal, Quebec
Calgary, Alberta	Dartmouth, Nova Scotia
Winnipeg, Manitoba	

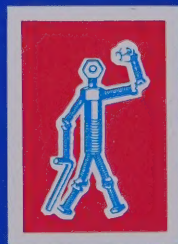
### Head Office:

55 Brown's Line, Toronto, Ontario









AUTOMOTIVE HARDWARE LIMITED